

Measures to phase out fossil fuel subsidies (FFS) in Belgium

This document exclusively contains measures from the National Energy and Climate Plan (NECP) of Belgium concerning the phasing out of fossil fuel subsidies. For more detailed information on these measures, please consult the NECP as submitted to the European Commission on 6 October 2025¹. Given that these are measures included in the NECP, the time horizon for implementing them are, unless otherwise specified, the period 2021-2030.

Federal state

The following elements on phasing out fossil fuels subsidies are included in the NECP²:

- **Greening the company car fleet:** This reform provides for the phasing out of the deductibility of company cars that emit CO₂. The government will simplify the rules related to limiting the deductibility of car costs in order to reduce administrative burden. Since an electric company vehicle is not yet an option for everyone, the government is planning a broader transition period for hybrid vehicles. The government will maintain the maximum percentage of tax deduction for hybrids. Diesel and petrol costs for hybrid vehicles remain deductible at 50 % until the end of 2027. The electricity costs of hybrids will benefit from the same deductibility as electricity models.
- **Excise refunds on professional road diesel will be gradually reduced, ensuring that a competitive advantage is maintained with neighbouring countries:** this measure provides for the gradual reduction of the reimbursement rate of professional diesel to a level that would maintain a competitive advantage with neighbouring countries. Consultation with the sector will be carried out to assess the impact of this reform as well as of other fiscal measures for greening and competitiveness of the sector.
- **Taxation of the aviation sector:** We simplify the boarding tax for intra-EU and extra-EU flights by harmonising it to EUR 5 per person per ticket. The existing fare for a short distance flight (EUR 10) does not change. We call for the introduction of a kerosene tax, a measure that not only restores fairness in the tax burden, but also stimulates investments in cleaner technologies.
- **Reform of VAT on coal:** VAT on coal rises from 12 % to 21 %.
- **VAT reform on heating systems:** the VAT rate for the supply and installation of heat pumps will be reduced from 21 % to 6 % for the next 5 years, while VAT on

¹ https://commission.europa.eu/publications/belgium-final-updated-necp-2021-2030-submitted-2025_en

² For some of these measures, an estimate of the amount of FFS can be found in the federal FFS inventory accessible through the following link: <https://klimaat.be/doc/summary-4th-federal-inventory-of-fossil-fuel-subsidies.pdf>

the installation of a fossil fuel boiler (gas, fuel oil, etc.) will be increased from 6 % to 21 % as part of a renovation (for housing over 10 years old).

- Restriction of deductibility of fossil vans: as soon as there are sufficient affordable alternatives on the market, it will be examined how the deductibility for new fossil vans can be phased out over a reasonable period of time.
- Tax shift on energy products: the Government Agreement (2025-2029) provides that the Government will examine the impact of the introduction of the ETS2 system and the modalities of a tax shift on energy products (electricity, gas, oil, etc.) so that it can contribute to achieving the climate objectives. The government will implement this tax shift without increasing the average household and business bills.

Flemish Region

The table below provides an overview of the policy measures already decided upon and the dates for phasing out fossil fuel and other energy subsidies. This table is exactly the same as the table on page 234 of the Flemish Energy and Climate Plan 2021-2030 that was approved by the Flemish region on 12th September 2025.

Subsidy	Fossil/Other	Planned End Date and Policy Measures for Phase-Out
<u>Residential buildings</u>		
MVP REG premium condensing boiler	Fossil	The Flemish Government decided to discontinue the “Mijn Verbouwpremie (MVP)” for gas condensing boilers as part of the implementation of the Flemish Energy and Climate Plan 2021-2030. Anyone who invested in a gas condensing boiler (open definition) (with product label A) could still apply for a premium if the final invoice date was no later than 31 October 2023. The application for the premium remained possible until 31 October 2024. Payments of the premium may still occur after that date due to processing delays.
MVP Hybrid heat pump	Other	No phase-out planned.
Minimum supply of natural gas Prepaid	Other	No phase-out planned.

<u>Non-residential buildings</u>		
MVP Hybrid heat pump (non-residential)	Other	No phase-out planned.
One-time intervention energy bill	Other	This subsidy has already ended. It was temporary support during the 2023 energy crisis for the youth and cultural sector.
Subsidy for the phase-out of oil-fired boilers GO!	Other	No phase-out planned.
<u>Energy production, energy infrastructure</u>		
Minimum support CHP	Other	From 1 January 2023, no more cogeneration certificates were granted to new and significantly modified fossil CHP. The start date is valid for 3 years for installations smaller than 25 MW and 4 years for installations larger than 25 MW. It is therefore possible that installations will still be commissioned up to 31 December 2025 and receive support until 31 December 2035.
Certificate support CHP - Purchase by Flemish Government	Other	(See above; shares the same phase-out policy as the previous row.)
Premium micro-CHP	Other	Support for fossil micro-CHP was discontinued on 31/12/2021. A premium can now only be applied for biogas micro-CHP.
Call for green heat, heat networks, residual heat, and biomethane	Other	No phase-out planned.
Ad hoc investment subsidies for green heat and heat networks	Other	No phase-out planned.

<u>Industry</u>		
Compensation for indirect emission costs (ICL)	Other	Flemish legislative framework until 2030. No decision yet on possible extension.
Degressivity quota obligation cogeneration certificates	Other	The quota percentage is set until 2031 in the Energy Decree. A decision still needs to be made for after 2031.
Free allocation of emission rights Flemish ETS Fixed Installations	Other	No phase-out planned.
<u>Agriculture</u>		
VLIF investment support for farmers 30% aimed at reducing emissions of ammonia, particulate matter, and nitrogen oxides (CAP 2015-2022)	Fossil	Until 31/12/2022, VLIF investment support could be applied for conversion from oil to gas heating installations (30%), investments in heating installations and emergency generators, and in diesel-powered machines, e.g., harvesters, tractors, etc. (15%). For VLIF investment support for farmers under CAP 2023-2027, only non-fossil applications are eligible.
VLIF investment support for farmers 15% (real estate) (CAP 2015-2022)	Fossil	(See above; shares the same phase-out policy as the previous row.)
VLIF investment support for farmers 15% (movable property) (CAP 2015-2022)	Fossil	(See above; shares the same phase-out policy as the previous row.)

Walloon Region

The table below shows the policies and measures taken by the Walloon government, either accomplished or ongoing, for the phasing-out of the fossil fuel subsidies. These PaMs were extracted from the Annex VIII of the NECP which was recently submitted to the European commission.

Policy measures for FFS phasing-out	Target year	Progress status
Reform of building energy retrofit UREBA (decree of the 13/10/2022 modifying the decree of the 28/03/2013 on the energy efficiency of public and non-commercial buildings) - End of fuel oil and coal boilers	2022	Accomplished
Implementation of RGEC 651/2014 on the decree of the 11/03/2004 - Premiums for investments by enterprises in sustainable development (UDE) - End of financial support to installations relying on fossil fuels	2024	Accomplished
Reform of the decree of the 11/03/2004 on aids for investments to large companies and SMEs - Exclusion of aids for gas and fuel oil boilers	2025	Ongoing
Perform an inventory of public favourable tax treatments and subsidies to activity sectors relying most on fossil energies / Study the feasibility of an action plan for a progressive divestment in fossil energies based on the existence of realistic and sustainable technical alternatives, risks for employment and activities.	Unknown	Ongoing

Brussels-Capital Region

This list of FFS in the Brussels-Capital Region was approved by the Government the Brussels-Capital Region (BCR) on 1st April 2021, then updated by Brussels Environment in September 2023 on basis of BCR new Air Climate and Energy plan and the Renovation bonus (premiums) execution program for 2023.

FFS	Prospect of elimination	Elimination status update
<u>Energy premiums</u>		
C1: efficient natural gas fired heater, boiler or hot air generator	To be studied in 2021 as part of the implementation of the Brussels contribution to the NECP and the raised 2030 BCR climate ambition	Eliminated as from 2023
C6: collective chimney casing	To be studied in 2021 as part of the raised 2030 BCR climate ambition	Eliminated as from 2023
Bonus for connection to a heating network	Did not exist	Newly created
<u>Support for business investment</u>		
Direct investment aid for the acquisition of machinery and equipment under the Government decree of 11 October 2018 on aid for general investments (Art.7) .	None	As from 2030 all the Region's economic tools shall be redirect so that they give priority to supporting companies that choose to be exemplary in social and environmental terms (new Air, Climate and Energy Plan adopted in April 2023)
<u>Green Certificates</u>		
Support for gas-fired CHP	Planned by 2030 (as part of the implementation of the Brussels contribution to the NECP)	Advanced to 2025 (new Air, Climate and Energy Plan adopted in April 2023)